

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:

CITY OF DETROIT, MICHIGAN,
Debtor.

Bankruptcy Case No. 13-53846

Judge Thomas J. Tucker

Chapter 9

**STIPULATION BETWEEN THE CITY OF DETROIT AND
CLAIMANTS AFSCME (CLAIM NUMBER 2958) AND THE COALITION
OF DETROIT UNIONS (CLAIM NUMBER 2851)**

The City of Detroit, Michigan (“City”), AFSCME Council 25 and its affiliated Detroit Locals, on behalf of themselves and their affiliated locals, officers, agents, employees and members (“AFSCME”) and the Coalition of Detroit Unions, on behalf of itself and its members and their officers, agents, employees and members (“Coalition”) stipulate and agree as follows:

1. On November 13, 2019, this Court granted the *Order Granting the City of Detroit’s Motion to Implement Distributions of B Notes to Holders of Allowed Class 14 Claims under the City’s Confirmed Plan of Adjustment (“Distribution Order”)*. [Doc. No. 13173]. Capitalized terms not otherwise defined in this stipulation shall have the meanings ascribed to them in the Distribution Order.

2. Claimants AFSCME and the Coalition have two separate allowed claims under Class 14 of the City's confirmed plan of adjustment filed at docket number 8045 ("Plan"). [See Doc. No. 11754].

3. The Distribution Order provides that Class 14 Claimants are to provide a Tax Form and Brokerage Account Form to KCC on or before 180 days (*i.e.* June 24, 2020) after the date on which the Brokerage Account Form and Tax Form are served.

4. It has taken longer than expected for both AFSCME and the Coalition to finalize the arrangements to receive the B Notes given the complexities involved for AFSCME and the Coalition in establishing qualified settlement funds and retaining a qualified claims administrator as provided for by the stipulation and order entered at docket numbers 13168 and 13172. For instance, the distributions to AFSCME and the Coalition are intended to be held by "qualified settlement funds" within the meaning of Treasury Regulation 1.468B-1. Therefore, AFSCME and the Coalition have to establish two separate qualified settlement funds. Additionally, to satisfy section 468B of the Internal Revenue Code of 1986, and Treas. Reg. section 1.468B, and to facilitate subsequent distributions, AFSCME and the Coalition will each retain a firm to serve as a qualified claims administrator ("Claims Administrator"). The Claims Administrator shall be charged with the

administration of the two qualified settlement funds and the subsequent distributions of B Notes.

5. In light of the unique complexities involved with retaining a qualified claims administrator and establishment of multiple accounts, the parties respectfully request an extension from this Court of the date for AFSCME and the Coalition to submit to KCC the Tax Forms and Brokerage Account Forms in paragraph 6 of the Distribution Order from June 24, 2020 until July 24, 2020. A proposed order is attached as **Exhibit 1**.

Dated: June 23, 2020

CITY OF DETROIT

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Dated: June 23, 2020

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AFSCME COUNCIL 25

Dated: June 23, 2020

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Dated: June 23, 2020

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EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
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In re:

CITY OF DETROIT, MICHIGAN,
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**ORDER APPROVING STIPULATION BETWEEN THE CITY OF
DETROIT AND CLAIMANTS AFSCME (CLAIM NUMBER 2958) AND
THE COALITION OF DETROIT UNIONS (CLAIM NUMBER 2851)**

This matter having come before the Court on the *Stipulation Between the City of Detroit, AFSCME (Claim Number 2958) and the Coalition of Detroit Unions (Claim Number 2851)* (“Stipulation”),¹ the Court being fully advised in the premises, and there being good cause to grant the relief requested, and the Court finding that the proposed stipulation is fair and equitable and is in the best interest of the City, AFSCME and the Coalition, and other creditors of the City,

IT IS HEREBY ORDERED THAT:

- A. The Stipulation is approved to the extent set forth in this Order.
- B. AFSCME must provide the Tax Form and Brokerage Account Form to KCC in accordance with the Distribution Order on or before July 24, 2020.

¹ Capitalized terms not otherwise defined in this Order shall have the meanings ascribed to them in the Stipulation.

C. The Coalition must provide the Tax Form and Brokerage Account Form to KCC in accordance with the Distribution Order on or before July 24, 2020.